

July 1, 2002

The Honorable Scott McCallum
Governor of Wisconsin
State Capitol
P.O. Box 7863
Madison, WI 53707

Dear Governor McCallum:

I am pleased to approve your request for the Wisconsin "SeniorCare" demonstration project we received on March 28, 2002. Approval is under the authority of section 1115 of the Social Security Act for a five-year period.

In this Administration, we have emphasized flexibility to allow states to provide a comprehensive pharmacy benefit to low-income disabled and aged individuals. Under the Pharmacy Plus demonstration, Wisconsin will provide a comprehensive pharmacy benefit to its residents aged 65 and older with incomes up to 200 percent of the Federal Poverty Level. This will complement Wisconsin's current Medicaid prescription drug program and fill a gap in prescription drug coverage that was previously not provided to this low-income elderly population.

Approval of this demonstration and the waivers and Federal matching provided thereunder is conditioned upon compliance with the special terms and conditions which set forth in detail the nature, character, and extent of anticipated Federal involvement in the project. The award is subject to our receiving your written acceptance of the award within 30 days of this letter.

We look forward to working with Wisconsin on the implementation of this demonstration program.

Sincerely,

Tommy G. Thompson